PORTOLA INSTITUTE

BOARD OF TRUSTEES MEETING

November 11, 1971

Attending:

Richard Raymond, Trustee
Hank Levin, Trustee
Michael Phillips, Trustee
Rabbit Showalter, Trustee
Larry Klein
Eleanor Watkins
Peter Sessions
Les Rosen

Absent:
Fannie Shaftel, Trustee

AGENDA:

A. Background, POINT-PORTOLA relationship
B. Projects Report
C. Future Possibilities
D. Resolutions - Resignations

A. BACKGROUND Point-Portola Relationship

Dick Raymond opened the trustee meeting with a discussion of the progress being made in organizing POINT as a new foundation, and how POINT's future direction will influence Portola. From a legal standpoint the directors of POINT are looking for an appropriate legal mechanism to divest the catalog from Portola. In considering the various institutional alternatives POINT could pursue, (charitable trust, a church, private foundation, public foundation) it was suggested that the form of a supporting foundation was most desirable for POINT. The board was informed by Larry Klein that some of the requirements a supporting foundation must comply with are that (1) it support a public foundation, (2) it has the same principles and goals as the public foundation it supports and (3) it gives back all its assets to the public foundation in the event of bankruptcy, closing, etc.

B. PROJECTS REPORT

Dick Raymond reported that Portola's projects are being encouraged to set up independent organizations, if at all possible. He added that a deadline should be designated for the independent organization (independent from Portola) of Big Rock Candy Mountain and the Whole Earth Truck Store. He then reported that the Kids Teaching Kids project is renting its own space in Sunnyvale. Dick

D. RESOLUTIONS - RESIGNATIONS

The Portola Board of Trustees passed the following resolutions:

"RESOLVED that upon counsel for the corporation advising that Point has properly amended its Articles of Incorporation to qualify as a supporting foundation pursuant to Section 509 (a)(3) of the Internal Revenue Code and the regulations thereunder, to Portola Institute, Inc., this corporation shall transfer all assets of the Whole Earth Catalog division, subject to the liabilities thereof, to Point provided, however, such transfer shall not take place unless Point agrees to return the transferred assets, or the assets into which they have been converted, to Portola if the Internal Revenue Service should successfully contend that such transfer from Portola to Point is not permissible under the relevant provisions of the Internal Revenue Code, that Point is not an exempt organization under Section 501 (c)(3) of the Internal Revenue Code, or that Point is a "private foundation" as that phrase is defined in Section 509 of the Internal Revenue Code. The assets to be transferred to Point shall include, but shall not be limited to, the copyright interest in the Whole Earth Catalog and the Last Whole Earth Catalog, monies due under the contract with Random House for distribution of the Last Whole Earth Catalog and funds and investments which are presently in the name of the Whole Earth Catalog division of Portola. The liabilities to be transferred include, but are not limited to, various accounts which are due in relations to the printing and publication of the Last Whole Earth Catalog, certain sums due under the contract with Gurney Norman for the material he prepared for the Last Whole Earth Catalog, and the agency contract with Don Gerrard under which he is entitled to a certain percentage of the income from sales of the Last Whole Earth Catalog. Provided, further, Point shall agree to provide in its Bylaws that at least one member of its Board of Directors shall also be a member of Portola's Board of Directors. The President and Treasurer are hereby authorized to take such further actions and execute such documents which may be necessary or desirable to effectuate the transfer of such assets and liabilities of the Whole Earth Catalog division to Point."

RESOLVED that the Portola Board direct Rabbit Showalter to work on the setting up of the Whole Earth Truck Store as an independent corporation, separate from Portola Institute, to be fully divested from Portola by the end of the year. All aspects of this severance are subject to approval by the Portola Board.

RESOLVED that the Portola Board direct Mike Phillips to work on the severance of Big Rock Candy Mountain from Portola Institute and the independent incorporation details of this division. All aspects of severance are subject to the approval of the Portola Board.

The Portola Board of Trustees ratified the closing of the Portola Institute office space at 540 Santa Curz Ave. Menlo Park and its being occupied by Richard Raymond Assoicates (who will rent a room to Portola).

The Board voted to place Fran LeBrun at his liberty and appoint Rabbit Showalter in his place as vice-president of Portola .

The board decided not to deal with Trustee Fannie Shaftel's resignation until the board decided to start thinking about new candidates for the position. Dick Raymond reported that Peter Sessions had given him his resignation from the office of president of Portola Institute but Dick suggested that the board wait about accepting it until the new year so that the group could be kept together for generating ideas and new directions for Portola Institute.

The board voted to accept the resignation of LesRosen and appoint Mike Phillips, Trustee, to the position of Treasurer of Portola Institute.

The board made an official commendation to Rabbit Showalter for all the work he did in closing Ortega's Diablo Ranch and Acme Art Academy.

The next trustee meeting was scheduled for December 14, subject to change if necessary.

December 6, 1971

Eleanor Watkins

Eleanor Watkins, Secretary